

EXHIBIT 94

February 02, 2021

Air India Assets Holding Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture (NCD) Programme	14,985.0	14,985.0	[ICRA]AAA(CE) (Stable); Reaffirmed
Proposed NCD Programme^	7,400.0	7,400.0	Provisional [ICRA]AAA(CE) (Stable); Reaffirmed
NCD Programme	79.0	-	[ICRA]AAA(CE) (Stable); Reaffirmed and Withdrawn
Government of India (GoI) Fully Serviced Bonds	7,000.0	7,000.0	[ICRA]AAA (Stable); Reaffirmed
Total	29,464.0	29,385.0	

*Instrument details are provided in Annexure-1; ^ These NCDs are under Air India Limited and to be transferred to AIAHL through novation

Rating Without Explicit Credit Enhancement

[ICRA]BB

Note 1: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement.

Note 2: As the NCDs of Rs. 79.0 crore have not been placed and there is no amount outstanding against the rated instrument, the rating outstanding of [ICRA]AAA(CE) (pronounced ICRA triple A Credit Enhancement), with a Stable outlook, stands withdrawn.

Rationale

For the [ICRA]AAA(CE) (Stable) rating on Rs. 14,985-crore NCD Programme

The above rating is based on the strength of the unconditional and irrevocable guarantee provided by the Government of India (GoI) for the rated NCD programme. Furthermore, the repayment of principal and interest payment for these borrowings shall be made by the GoI, by making suitable provisions in the budget of the Ministry of Civil Aviation. The Stable outlook on this rating reflects ICRA's outlook on the rating of the guarantor, GoI.

Adequacy of credit enhancement

The rating of the instrument is based on the credit substitution approach whereby the rating of the guarantor has been translated to the rating of the said instrument. The guarantee is legally enforceable, irrevocable and unconditional, and covers the entire amount and tenor of the rated instrument and has a well-defined invocation and payment mechanism. Given these attributes, the guarantee provided by GoI is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]AAA(CE) against the Unsupported Rating of [ICRA]BB.

Salient covenants related to the credit enhancement, as specified in the guaranteed documents

- » The guarantee is unconditional, absolute, irrevocable, continuing one and shall remain in full force and effect until the full and final discharge of the obligations of the company
- » GoI, as a principal debtor undertakes to pay principal and interest accrued and payable on the NCDs on respective due dates
- » Defined payment mechanism (including guarantee invocation mechanism) is part of the terms, to ensure that dues of the NCDs are payable in a timely manner
- » GoI undertakes to continue to hold 100% shareholding of Air India Assets Holding Limited (AIAHL), during the tenor of the NCDs

For the Provisional [ICRA]AAA(CE) (Stable) rating on the Rs. 7,400-crore NCD Programme

The above rating is based on the strength of the unconditional and irrevocable guarantee provided by the GoI for the rated NCD programme. Furthermore, the repayment of principal and interest payment for these borrowings shall be made by the GoI, by making suitable provisions in the budget of the Ministry of Civil Aviation. The Stable outlook on this rating reflects ICRA's outlook on the rating of the guarantor, GoI. The GoI backed NCDs are currently in the books of Air India Limited (AIL) and are to be transferred to the books of AIAHL. The terms of the NCDs shall not be revised post transfer of these NCDs from AIL to AIAHL. The assigned rating is provisional as of now (as denoted by the prefix, Provisional, before the rating symbol) and is subject to the fulfilment and review of all pending actions/ documentation regarding the transfer of the aforesaid NCDs rated by ICRA, including but not limited to the signing of novation agreements. The final rating may differ from the provisional rating in case the completed actions / documentation is not in line with ICRA's expectations.

Adequacy of credit enhancement

The rating of the instrument is based on the credit substitution approach whereby the rating of the guarantor has been translated to the rating of the said instrument. The guarantee is legally enforceable, irrevocable and unconditional, and covers the entire amount and tenor of the rated instrument and has a well-defined invocation and payment mechanism. Given these attributes, the guarantee provided by GoI is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]AAA(CE) against the Unsupported Rating of [ICRA]BB.

Salient covenants related to the credit enhancement, as specified in the transaction documents

- » *The guarantee is unconditional, absolute, irrevocable and a continuing one that shall remain in full force and effect until the full and final discharge of the obligations of AIAHL in relation to the rated NCDs*
- » *GoI, as a principal debtor, undertakes to pay principal and interest accrued and payable on the NCDs on respective due dates*
- » *Defined payment mechanism (including guarantee invocation mechanism) is part of the terms, to ensure that dues of the NCDs are payable in a timely manner*
- » *GoI undertakes to continue to hold 100% shareholding of AIAHL, during the tenor of the NCDs*

For the [ICRA]AAA (Stable) rating on the Rs. 7,000-crore GoI Fully Serviced Bonds

The above rating factors in the obligation of the GoI towards the Rs. 7,000-crore NCD programme of AIAHL as per the letter of authorisation (LoA) dated June 18, 2019, issued by the Budget Division, Department of Economic Affairs, Ministry of Finance, Government of India. As per the LoA, the repayment of principal and the interest payment for the captioned NCD programme/ GoI fully serviced bonds shall be met by GoI, by making suitable provisions in the budget of the Ministry of Civil Aviation. An explicit Government guarantee is not required due to fully servicing of bonds by the GoI.

Key rating drivers and their description

Credit strengths

Guarantee from the GoI / fully serviced GoI bonds - The rating for the Rs. 14,985-crore and the Rs. 7,400-crore NCDs is based on the strength of the unconditional and irrevocable guarantee from GoI and that the repayment of principal and interest payment for these borrowings shall be made by the GoI, by making suitable provisions in the budget of the Ministry of Civil Aviation.

The rating for the GoI Fully Serviced Bonds of Rs. 7,000-crore is based on the LoA by the GoI that the repayment of principal and interest payment for these borrowings shall be made by the GoI, by making suitable provisions in the budget of the Ministry of Civil Aviation. The GoI has made provisions for Rs. 2,205.0 crore in the FY2021 budget for AIAHL.

Payment mechanism is in/to be in place to ensure timely payments - A trustee-monitored payment mechanism is in place to ensure the timely payment of the interest and principal obligations on the Rs. 14,985-crore and the Rs. 7,000-crore NCD programmes. The company has opened a no lien designated account, to be exclusively used for servicing the liability towards the rated NCDs. Furthermore, a trustee-monitored payment mechanism will be in place to ensure the timely payment of the

interest and principal obligations on the Rs. 7,400-crore NCD programme. The company shall open a no lien designated account, to be exclusively used for servicing the liability towards the Rs. 7,400-crore rated NCDs.

Payment mechanism for the Rs. 14,985-crore NCD programme

Trigger Date	Action Points
T-45	The Trustee shall within 45 days before each Due Date inform the Company in writing regarding the Due Date and adequate funds which shall mean such amounts in the Designated Account as may be required for the full repayment of principal and interest due on the relevant due date in terms of the repayment schedule in the Information Memorandum (IM) and such adequate funds shall include any amounts derived from the Air India Monetisation Escrow account and/ or the Gol through the Ministry of Finance (MoF) in terms of the letter of assurance dated June 18, 2019. The Company shall ensure that Adequate Funds are available in the Designated Account latest by 30 calendar days before the Due Date
T-30	If the Designated Account does not have Adequate Funds on or before 30 days prior to the Due Date, it shall constitute an Event of Default
T-29	Trustee shall intimate the Gol about the Event of Default. However, any failure on the part of the Trustee to send intimation to Gol shall not prejudice the right of the Trustee to invoke the Guarantee
T-8 working days	If default continues up to eight working days before the Due Date, the Trustee shall invoke the Guarantee by sending a Notice to Gol. Upon receipt of Notice from the Trustee, Gol shall transfer into the Designated Account by the Guarantor's Payment Date (that is a date not later than seven working days from the Date of Notice or at least one working day prior to Due Date, whichever is earlier), Adequate Funds as notified by the Trustee in the Notice
T-1 working day	Gol has to fund the Designated Account for payment of interest and/or Principal
T	Due Date for Payment of Interest/Principal

Payment mechanism for the Rs. 7,400-crore NCD programme

Trigger Date	Action Points
T-45	The Trustee shall inform the company in writing within 45 days before each Due Date regarding the Due Date and Adequate Funds, which shall mean such amounts in the Designated Account as may be required for the full repayment of principal and interest due on the relevant Due Date in terms of the repayment schedule. The Company shall ensure that Adequate Funds are available in the Designated Account latest by 30 calendar days before the Due Date
T-30	If the Designated Account does not have Adequate Funds on or before thirty days prior to the due date, it shall constitute an event of default (EoD)
T-29	Trustee shall intimate the Gol about the EoD. However, any failure on the part of the Trustee to send intimation to Gol shall not prejudice the right of the Trustee to invoke the guarantee
T-8 working days	If default continues up to eight working days before the Due Date, the Trustee shall invoke the guarantee by sending a notice to Gol. Upon receipt of notice from the Trustee, Gol shall transfer into the Designated Account by the guarantor's payment date (that is a date not later than seven working days from the Date of Notice or at least one working day prior to due date, whichever is earlier), Adequate Funds as notified by the Trustee in the notice
T-1 working day	Gol has to fund the Designated Account for payment of interest and/or principal
T	Due Date for payment of interest / principal

Payment mechanism for the Rs. 7,000-crore Gol fully serviced bonds

If the no lien designated account—to be exclusively used for servicing the liability towards rated NCDs—does not have adequate funds on or before 30 days prior to the due date, it shall constitute an EoD. The Trustee shall intimate the Gol about the EoD. If the default continues up to eight working days before the due date, the Trustee shall invoke the Authorisation by sending a notice to the Gol. Upon receipt of notice from the Trustee, Gol shall transfer adequate funds into the designated account by the Payment Date (at least one working day prior to the due date), as notified by the Trustee in the notice.

Credit challenges

Not Applicable

Liquidity position: Superior

The ratings for the Rs. 7,400-crore proposed NCDs and Rs. 14,985-crore NCDs are based on the unconditional, irrevocable and continuing guarantee from the GoI that would cover all the repayment obligations to the NCD holders. ICRA expects servicing of debt through budgetary provision and the trustee-controlled payment mechanism such that adequate funds are made available by the GoI to service debt obligations in a timely manner. Further, the Rs. 7,000-crore NCDs are fully serviced bonds by GoI, thus ensuring timely payment of debt obligations.

Rating sensitivities

Positive factors – Not applicable

Negative factors are as below:

For the Provisional [ICRA]AAA(CE) (Stable) rating on the Rs. 7,400.0-crore proposed NCD Programme and [ICRA]AAA(CE) (Stable) rating on the Rs. 14,985-crore NCD Programme: Negative pressure on AIAHL's rating could arise in case of failure of relevant stakeholders to adhere to the NCD structure.

For the [ICRA]AAA (Stable) rating on the Rs. 7,000-crore GoI Fully Serviced Bonds: Negative pressure on AIAHL's rating could arise in case of failure of relevant stakeholders to adhere to the terms of the LoA.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Approach for rating debt instruments backed by third-party explicit support
Parent/Group Support	The rating for the Rs. 7,400-crore proposed NCDs and the Rs. 14,985-crore NCDs are based on the unconditional, irrevocable and continuing guarantee from the GoI that would cover all the repayment obligations to the NCD holders. Further, the Rs. 7,000-crore NCDs are GoI fully serviced bonds, thus ensuring timely payment of debt obligations.
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

Air India Special Alternate Mechanism (AISAM) was constituted in 2017 to guide the process of strategic disinvestment of AIL. As no response was received from prospective bidders in the exercise held in 2017, the Government decided to undertake near and medium-term efforts to capture operational efficiencies and to improve the performance of Air India, to monetise non-core land and building assets and to separately decide the contours of the mode of disposal of the subsidiaries.

In line with the decision of AISAM, a company by the name of Air India Assets Holding Limited (AIAHL) was incorporated with 100% shareholding held by the Government.

The entity is a special purpose vehicle (SPV) formed for acquiring the following from Air India Limited:

- Its shares held in Air India Air Transport Services Limited (AIATSL), Airline Allied Services 'Alliance Air' (AASL), Air India Engineering Services Limited (AIESL) and Hotel Corporation of India Limited (HCI). As on March 31, 2020, these have been classified under assets held for sale in the balance sheet of AIL.
- Paintings, artefacts and other non-operational assets as may be decided by AIL and the Government of India
- Non-core assets as may be decided by AIL and the Government of India
- Immoveable properties whether leasehold or freehold

- e) Accumulated working capital loans not backed by any asset, and
- f) Other assets / liabilities or of its subsidiaries, as may be decided by AIL / Government of India

Pursuant to the decisions taken in the various AISAM meetings stated above, AIL began the exercise of transfer of identified debt amounting to Rs 29,464.0 crore as on October 01, 2018. However, in view of lenders' approval for transfer not forthcoming, the debt transfer could not take place and the debt continued to be in the books of AIL. AIL continued to service the interest due on these loans identified for transfer to AIAHL. In view of the constraints faced in the transfer of loan from AIL to AIAHL, the Ministry of Finance approved a refinancing strategy for the identified debt.

Based on the Meeting held on May 30, 2019, by the Ministry of Finance, it was decided that the SPV would raise finances in the following manner to refinance the identified debt of AIL amounting to Rs. 29,464.0 crore:

- a) NCD of Rs. 7,400.0 crore to be novated to AIAHL against Gol guarantee
- b) Issue of Gol Fully Serviced Bonds for Rs. 7,000.0 crore against LoA
- c) Issue of Bonds worth Rs. 15,064.0 crore with full Government Guarantee for the payment of interest and principal thereof. Accordingly, AIAHL has raised funds through bonds of Rs. 21,985.0 crore to repay the working capital and aircraft loans of AIL. NCDs amounting to Rs. 7,400.0 crore are in the process of novation from AIL to AIAHL. The other procedures relating to the disinvestment are in progress.

Key financial indicators

AIAHL Standalone	FY2019	FY2020 (Provisional)
Operating Income (Rs. crore)	0.09	3,767.8
PAT (Rs. crore)	0.00	134.0
OPBDIT/OI (%)	2.03%	99.58%
RoCE (%)	-	3.56%
Total Outside Liabilities/Tangible Net Worth (times)		
Total Debt/OPBDIT (times)	1.52	170.08
Interest Coverage (times)	24.60	5.86
DSCR (times)	-	1.04

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net Worth + Deferred Tax Liability - Capital Work in Progress); DSCR: (PBIT + Mat Credit Entitlements - Fair Value Gains through P&L - Non-cash Extraordinary Gain/Loss)/(Interest + Repayments made during the Year)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Chronology of Rating History for the Past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2020	Date & Rating in FY2020
					February 02, 2021	January 20, 2020	October 04, 2019	July 31, 2019
1	NCD Programme	Long-term	14,985.0	14,985.0	[ICRA]AAA(CE) (Stable)	[ICRA]AAA(CE) (Stable)	[ICRA]AAA(CE) (Stable)	-
2	Proposed NCD Programme^	Long-term	7,400.0	0.0	Provisional [ICRA]AAA(CE) (Stable)	Provisional [ICRA]AAA(CE) (Stable)	-	-
3	NCD Programme	Long-term	79.0	0.0	[ICRA]AAA(CE) (Stable); Reaffirmed and Withdrawn	[ICRA]AAA(CE) (Stable)	[ICRA]AAA(CE) (Stable)	-
4	Gol Fully Serviced Bonds	Long-term	7,000.0	7,000.0	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE0AED08011	NCDs / GoI Fully Serviced Bonds	18-Sep-2019	6.99%	16-Dec-2022	7,000.0	[ICRA]AAA (Stable)
INE0AED08029	NCDs	14-Oct-2019	7.39%	12-Oct-2029	7,000.0	[ICRA]AAA(CE) (Stable)
INE0AED08037	NCDs	22-Oct-2019	7.39%	22-Oct-2029	7,985.0	[ICRA]AAA(CE) (Stable)
NA	Proposed NCD	NA	NA	NA	79.0	[ICRA]AAA(CE) (Stable); Withdrawn
NA	Proposed NCD	NA	NA	NA	7,400.0	Provisional [ICRA]AAA(CE) (Stable)

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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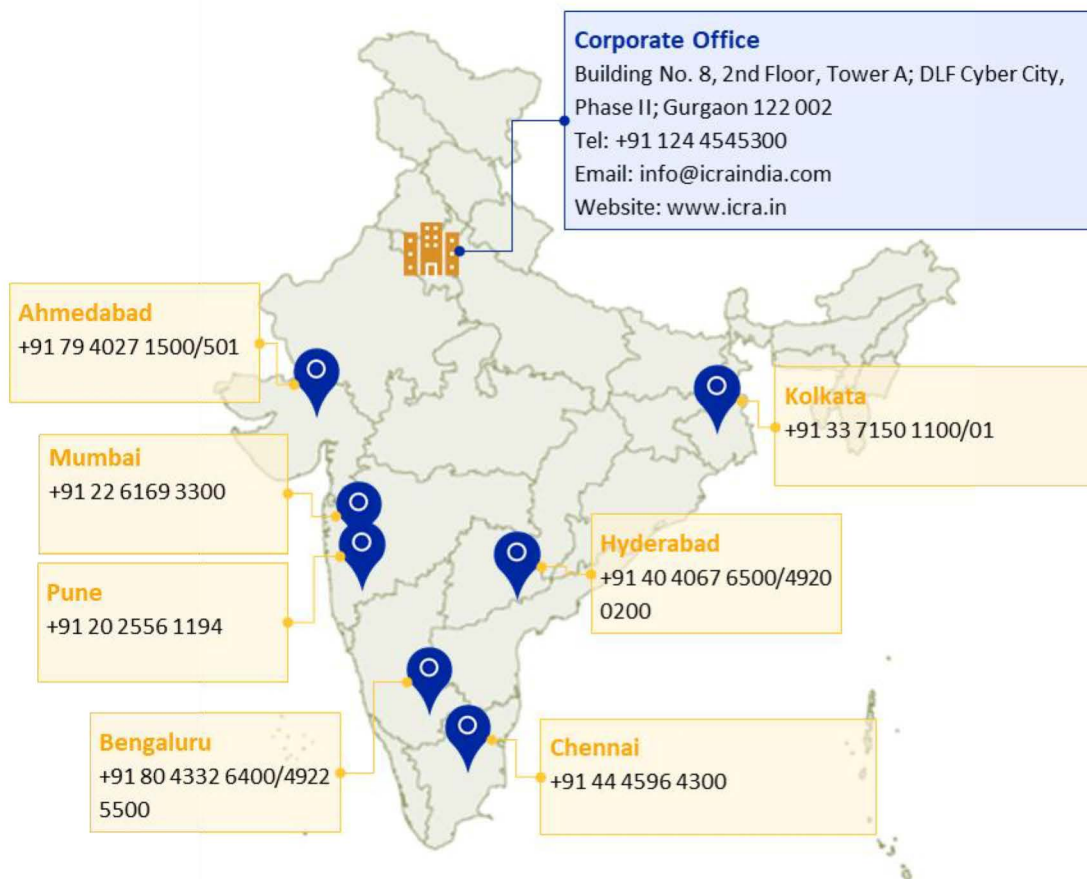
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